

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6121

BILL NUMBER: HB 1017

NOTE PREPARED: Nov 18, 2003

BILL AMENDED:

SUBJECT: Underground Storage Tank Fee Penalties.

FIRST AUTHOR: Rep. Grubb

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill reduces the penalty for failure to pay underground storage tank registration fees. It also authorizes a refund of part of a penalty paid after June 30, 2001, and before the reduction.

Effective Date: July 1, 2004.

Explanation of State Expenditures:

Explanation of State Revenues: Currently, the penalty shall not exceed \$2,000 for each underground storage tank for which an owner fails to pay the registration fee. The bill reduces the penalty to no more than \$200 per tank and allows an owner to claim a refund of an amount that was paid in excess of \$200 per tank. Only those penalties that were paid since the maximum penalty was set at \$2,000 (July 1, 2001, to July 1, 2004) are affected by this bill. The Department of State Revenue (Department) collected \$33,205 in FY 2003 and \$22,909 in FY 2002 from owners who failed to pay registration fees for their underground storage tanks. The portion of penalty revenue that may be refunded by the Department is indeterminable.

The Department distributes the penalty revenue between three funds: Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Excess Liability Trust Fund (ELTF), and Underground Petroleum Storage Tank Trust Fund. For storage tanks holding petroleum, the penalty revenue is split in half between the ELTF and Underground Petroleum Storage Tank Trust Fund; for tanks holding regulated substances other than petroleum, penalty revenue is deposited in the Hazardous Substances Response Trust Fund. The refunds are to be made from the three funds in the same proportion that the penalty revenue was deposited.

The bill appropriates the needed funds to the Department, which will make a final determination as to an owner's claim for a refund. It also allows a tank owner to appeal the final determination to the Tax Court. No interest is payable on the refund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Revenue.

Local Agencies Affected:

Information Sources: Don Atteberry, Department of State Revenue, 317-232-2177.

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